(b) if so, the reasons for not covering khadi units under REGP; and

(c) the other means of financial assistance provided to khadi units in the country with particularly reference to Andhra Pradesh?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) Yes, Sir.

(b) and (c) Khadi units are not eligible for assistance under the Rural Employment Generation Programme, implemented by the Khadi and Village Industries Commission (KVIC), as funds for promotion and development of khadi throughout the country, including Andhra Pradesh, are provided separately by the Government to the KVIC out of the Central budget.

**Multinational companies into business of Agro-based industries**

716. SHRI N.R. GOVINDARAJAR: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether a large number of multinational companies have entered into business of Agro-based industries;

(b) if so, the details thereof;

(c) whether the domestic Agro-based industries have been adversely affected due to the entry of Multinational companies; and

(d) if so, the details thereof alongwith the steps taken/proposed to be taken by Government in this regard?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) and (b) Under the Foreign Direct Investment (FDI) policy of the Government, some multinational companies have set up agro-based industries. These include companies like Nestle, Pepsi, Heinz, Kellogs, etc.

(c) and (d) The entry of these companies has led to increase in competitiveness and investment and improvement in product quality. Government implements the following schemes for the promotion and modernisation of the food processing industries in the country:

(i) Financial assistance for establishment, expansion and modernisation of food processing units.

(ii) Grants for creation of infrastructure like water supply, power, effluent treatment plant, laboratory, etc.

(iii) Scheme for quality assurance in units.

(iv) Deduction of hundred per cent of profit for five years under the Income Tax Act for select new food processing industries.

(v) Waiver of central excise duty on processed fruits and vegetable products.

Similarly, for promotion and establishment of agro-based and other village industries, Government implements the following schemes:

(i) Rural Employment Generation Programme (REGP) for employment generation through the setting up of village industries.

(ii) Rural Industries Service Centre (RISC) Scheme for setting up of Common Facility Centres (CFCs) to provide infrastructural support and services to such industries.

(iii) Product Development, Design Intervention and Packaging (PRODIP) Scheme for improved design and packaging of village industry products.

(iv) Financial assistance to village industry units for participation in national and international level exhibitions for market development.

**Products in rural areas by multinational companies**

717. SHRIMATI S.G. INDIRA: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that due to entry of multinational companies in products manufactured in rural areas with the agricultural produce, the industries in rural areas are facing stiff competition and closure of units;

(b) if so, the steps taken by Government to protect rural industries from closure; and

(c) whether it is also a fact that rural industries provide employment to rural people in a big way?